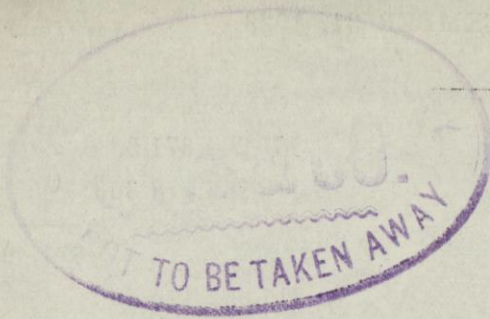




MAY 16 1924

STATEMENT
UNITED DRUG COMPANY
BOSTON, MASS.

DECEMBER 31, 1923

COMBINED INCOME STATEMENT

YEAR ENDING DECEMBER 31, 1923

Sales (net)	\$67,244,671.68	
Cost of Goods Sold	45,816,778.80	
CURRENT GROSS PROFIT		\$21,427,892.88
Operating Expenses	\$14,912,425.55	
MERCHANDISING PROFIT		\$6,515,467.33
Other Income		236,551.25
TOTAL OPERATING PROFIT		6,752,018.58
Deduct:		
Depreciation, Doubtful Accounts and Current Taxes		1,346,894.01
NET PROFIT TO SURPLUS		5,405,124.57

ANALYSIS OF SURPLUS

Surplus January 1, 1923		\$2,920,382.95
Deduct: Federal Taxes and Miscellaneous Adjustments	\$324,284.54	
BALANCE		\$2,596,098.41
Add: Earnings		5,405,124.57
TOTAL		\$8,001,222.98
Less:		
Interest on Bonds and Notes Outstanding	\$1,240,302.66	
Dividends on all Preferred and Common Stock (including Subsidiary Companies)	2,244,051.00	
TOTAL DEDUCTIONS		\$3,484,353.66
BALANCE SURPLUS JANUARY 1, 1924		\$4,516,869.32

Note: The above is before Federal Tax for 1923.

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1923

(INTER COMPANY ACCOUNTS ELIMINATED)

ASSETS

Cash	\$2,896,645.14
Accounts and Notes Receivable	6,394,871.91
Merchandise Inventories	14,239,782.98
Total Quick Assets	<u>\$23,531,300.03</u>
Real Estate and Buildings (Owned in fee)	5,513,340.86
Buildings and Improvements to Leaseholds	3,767,384.75
Machinery, Furniture and Fixtures	10,043,562.72
Stockholdings in other Companies (including Liggett's International Common)	11,792,981.25
Advances and Suspense Accounts	1,972,500.90
Trademarks, Patents, Formulae, Processes, Leaseholds and Goodwill	22,793,688.96
Grand Total Assets	<u><u>\$79,414,759.47</u></u>

LIABILITIES

Current Accounts Payable	\$3,039,732.76
Notes Payable, by Parent Company	00
Notes Payable, by Subsidiary Companies	00
Total Quick Liabilities	<u>\$3,039,732.76</u>
First Preferred Stock	16,321,900.00
Second Preferred Stock	158,800.00
Common Stock	35,605,500.00
Subscriptions to Common Stock	8,300.00
Stocks of Subsidiaries Outstanding	866,900.00
Real Estate Mortgages	1,050,200.00
5½ year 8% Gold Notes	2,282,000.00
20 year 8% Convertible Gold Bonds	11,086,900.00
Reserves	4,477,657.39
Surplus	4,516,869.32
Grand Total Liabilities	<u><u>\$79,414,759.47</u></u>

Respectfully submitted,

J. A. GALVIN, Treasurer.

CONSOLIDATED BALANCE SHEET

AT THE CLOSE OF BUSINESS ON DECEMBER 31, 1927

ASSETS

Cash	100,000.00
Accounts receivable	200,000.00
Inventory	150,000.00
Prepaid expenses	50,000.00
Fixed assets	500,000.00
Total Assets	1,000,000.00

LIABILITIES

Accounts payable	100,000.00
Notes payable	200,000.00
Long-term debt	300,000.00
Deferred taxes	50,000.00
Other liabilities	150,000.00
Total Liabilities	800,000.00
Retained earnings	200,000.00
Total Liabilities and Retained Earnings	1,000,000.00

W. A. GILBERT, President